

Congress of the United States

Washington, DC 20515

May 8, 2009

The Honorable Timothy Geithner
Secretary of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Dear Secretary Geithner:

As Federal bank regulators release results of the "stress tests" performed on our nation's largest financial institutions, we remain concerned with proposals from the Administration to convert existing preferred shares the taxpayers now hold in these financial institutions through the Troubled Asset Relief Program (TARP) to common stock shares.

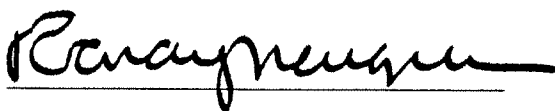
We support ample capital levels that will help see financial institutions through this economic downturn and enable them to support economic expansion. However, converting taxpayers' preferred shares to common stock shares would put the taxpayers' investment at greater risk, expand government intervention in the financial sector and slow recovery of these funds.

A share conversion does not add any actual new capital to financial institutions. Rather than rely on a stock conversion that only changes the way capital is accounted for on banks' balance sheets, we believe Treasury should focus efforts on ensuring these banks can bring in real, additional private capital. More stability and certainty from government policies is needed in order to help bring private capital off the sidelines and into financial institutions. Converting preferred shares to common shares and providing free, balance sheet capital to these entities is a further incentive for them to hold on to their troubled assets rather than dealing with them.

Before converting these shares and further involving the government in the operation of financial institutions, we should learn the lesson of the AIG situation and what happens when the federal government becomes a major shareholder of a financial entity. Conversion of billions of dollars of preferred shares to common equity would make the federal government the largest shareholder in several of these banks, giving the government a greater say in their operations.

As the Treasury Department works to restore confidence in America's financial institutions and continues to implement programs with its TARP authorities, we ask that you work with Congress on an exit strategy for the federal government from these interventions rather than policies that increase government intervention in and management of the financial sector.

Sincerely,

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K. J. H. 24

Scott Harvath

Mark Hoyer

Joey Pitts PA 16

Th. Madegg Az-3

Phil Perce

Michael S. CA-52

John Bensealing TX-5

Mary Feltin-OK-5

Sam TX-2

Mary Feltin-OK-5

Master IL 6

Mike Goh

Sam Johnson

Michael TX-24

Paul Ryan

Bob Boly UT1

Pete Olson TX-22

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Judy Bezzant

Bob Spring TX-32

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Gregg CA 3

John Funder

Dynis Jenkins

Bill Jolley FL 15

Wan Burton

The Honorable Timothy Geithner

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